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UNITED STATES DEPARTMENT OF AGRICULTURE
CONSUMER AND MARKETING SERVICE
DAIRY DIVISION

SUMMARIES OF
FEDERAL MILK MARKETING ORDERS

GROUP VII

Attached are summaries of Federal Milk Marketing Orders which include Group VII of the orders revised during the period July 2 through October 1, 1964. Additional revisions in these orders since October 1, 1964 are incorporated in the summaries.

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FEDERAL MILK ORDER NO. 135
Colorado Springs-Pueblo, Colorado-Kansas

Order, revised:

8-1-64 (*indicates revised provisions)

2-1-65 (**indicates revised provisions)

See: Order suspension page for possible temporary changes.

Marketing area:

All territory in the Colorado counties of El Paso, Pueblo, Huerfano, Teller, Cheyenne, Crowley, Custer, Kiowa, Las Animas, Lincoln, and Otero; and in the Kansas counties of Cheyenne, Logan, Sherman, and Wallace.

Population (1960 Census): 350,224

Principal places are: Pueblo, Colorado Springs, and Trinidad, Colorado; and Goodland, Kansas.

Handler:

1. The operator of a pool plant.
2. The operator of a nonpool plant from which fluid milk products are disposed of on routes in the marketing area.
3. A cooperative association with respect to producer milk diverted by it from a pool plant to a nonpool plant.
4. A cooperative association with respect to producer-member milk delivered by it from farms to pool plants in tank trucks controlled by it.

*Producer:

Any person, other than a producer-handler under any order, who produces milk in compliance with "Grade A" inspection requirements, and whose milk is delivered to or diverted from a pool plant. A producer's milk may be diverted if it is received at a pool plant on at least five days during the month. A pool handler may divert up to 50 percent of his producer milk during the months of April through July and up to 25 percent during the months of August through March.

Producer-handler:

Any person who operates a dairy farm and a distributing plant at which milk is received only from his own production or from plants regulated under this order and the Eastern Colorado order.

Pool plants:

1. Distributing plant. Any plant from which at least 50 percent of "Grade A" receipts are disposed of as Class I milk and at least 20 percent of such disposition is on routes in the marketing area.

2. Supply plant. Any plant from which at least 40 percent of "Grade A" producer receipts is shipped to distributing plants. If this requirement is met each month, September through February, the plant has automatic pool plant qualifications, March through August, unless unregulated status is requested.

*Nonpool plants:

1. Other order plant. Any plant fully regulated under another Federal order.
2. Producer-handler plant. Any plant operated by a producer-handler as defined in any order.
3. Partially regulated distributing plant. Any plant, other than a producer-handler plant or an other order plant, from which Class I milk is disposed of on routes in the marketing area and which does not meet the requirements for pooling.
4. Unregulated supply plant. Any nonpool plant other than a producer-handler plant or an other order plant that ships "Grade A" milk to a pool plant.

Classification:

1. Class I. All skim milk and butterfat not accounted for as Class II or Class III and disposed of as a fluid milk product, including milk, skim milk, buttermilk, flavored milk and milk drinks, reconstituted or fortified milk or skim milk, sweet or sour cream or any mixture of cream and milk or skim milk. Fortified products are Class I up to an equal volume of a like unfortified product.
2. Class II. All skim milk and butterfat used to produce cottage cheese.
3. Class III. All skim milk and butterfat: Used to produce any product other than a fluid milk product or cottage cheese; disposed of as livestock feed; in skim equivalent of fortified products not accounted for as Class I; in the skim milk portion of fluid milk products or cottage cheese dumped; disposed of to commercial food manufacturers; in end-of-month inventory; and, in shrinkage which is limited for receipts of milk subject in part to Class I allocation, and unlimited for other receipts.

*Transfers:

1. Transfers between pool plants. Classified as requested by both handlers, otherwise as Class I milk. The quantity assigned to any class is limited to the amount remaining in that class after allocating other source milk. The transfer must be classified so that the least possible Class I or Class II assignment is given to nonfluid, non-Grade A, or producer-handler milk. If the shipping plant receives other source milk to be prorated to classes, transfers shall not be Class I or Class II to a greater extent than would apply to a like quantity of such other source milk in the receiving plant.
2. Transfers to producer-handlers. Classified as Class I.
3. Transfers to other order plants. Such transfers, in excess of similar receipts from such plants, are classified in the class to which allocated as a fluid milk product under the other order. Such transfers can be classified as Class II or Class III up to the amount of available Class II or Class III utilization in the receiving plant, if both handlers request such utilization.

4. Transfers to other nonpool plants. Classified as Class I unless all of the following conditions are met:

- a. The transfer is in bulk.
- b. The nonpool plant is located not more than 200 miles from El Paso or in Cache or Weber Counties, Utah.
- c. The transferring handler claims classification on the basis of receipts and utilization at the nonpool plant.
- d. The operator of the nonpool plant makes utilization records available to the market administrator.

*Receipts of other source milk:

1. Allocation to classes. After first deducting Class III shrinkage from total Class III utilization, receipts of other source milk are allocated to classes as follows: (If the amount of an other source receipt to be allocated to Class III in "a" or "b" below exceeds the amount of unallocated Class III utilization remaining at the plant, the excess is allocated to Class II and Class I, in that order. For items "e" and "f", the excess is applied against available Class III utilization at another pool plant operated by the handler.)

- a. Packaged fluid milk products received from other order plants are allocated 2 percent to Class III and 98 percent to Class I.
- b. Other source milk received in a nonfluid form, without "Grade A" certification, or from producer-handlers is allocated to Class III.
- c. Receipts from unregulated supply plants for which the handler requests Class III or Class II utilization, or which are in excess of 125 percent of Class I needs, are allocated to Class III and Class II, in that order.
- d. Bulk receipts from other order plants in excess of similar transfers to such plants for which both handlers request Class III or Class II utilization are allocated to Class III and Class II, in that order.

After deducting inventory on hand at the beginning of the month from Class III and adding back Class III shrinkage to Class III, the following allocations of other source receipts are made:

- e. Receipts from unregulated supply plants for which the handler does not request Class III or Class II utilization, and which are not in excess of 125 percent of Class I needs, are allocated to each class in the same proportion as the remaining unallocated Class I, Class II, and Class III utilization.
- f. Bulk receipts from other order plants in excess of similar transfers to such plants for which the handler does not request Class II or Class III utilization are allocated to each class in the same proportion as either the remaining unallocated Class I, Class II, and Class III utilization, or the estimated market wide utilization, whichever represents the greater Class II and Class III use.

2. Pool obligations for other source milk. A handler has a pool obligation at the difference between the Class I and Class III price for each hundredweight of other source milk received in a nonfluid form, without "Grade A" certification, or from producer-handlers that is allocated to Class I. He also has an obligation on the amount of unregulated supply plant receipts that were allocated to Class I. The obligation is computed at the difference between the Class I price and the blend price, both adjusted for location.

Class prices: (3.5 percent butterfat test)

1. Basic formula. Average price paid per hundredweight for manufacturing grade milk, f.o.b. plants in Minnesota and Wisconsin adjusted to a 3.5 percent butterfat content by Chicago 92-score butter price for the month $\times 0.120$.

**2. Class I. The basic formula price for the preceding month plus \$2.10. A supply-demand adjustment, based on producer receipts and Class I sales in this order and the Eastern Colorado and Western Colorado orders, is applied to the resulting price.

3. Class II. The basic formula price for the month plus 15 cents.

4. Class III. The basic formula price for the month.

Butterfat differentials:

1. Class I. Chicago 92-score butter price for the preceding month $\times 0.130$.

2. Class II and Class III. Chicago 92-score butter price for the current month $\times 0.120$.

3. Producer. Weighted average of Class I, Class II, and Class III differentials.

Location differentials:

1. Class I. For plants located over 170 miles from Colorado Springs (except a plant located in Otero County, Colorado), deduct:

a. 27.0 cents - 171 to 180 miles.

b. 1.5 cents - each additional 10 miles.

For plants located in Otero County, deduct 10 cents.

2. Producer. Same as Class I, except producer milk diverted to nonpool plants is priced at such plants.

Type of pool:

Market wide, monthly pool.

*Expense of administration:

The expense of administration, not to exceed 5 cents per hundredweight, is paid by regulated handlers on producer milk, and on the amount of nonfluid, non-Grade A, producer-handler, and unregulated supply plant receipts assigned to Class I. Partially regulated distributing plants pay the same assessment on Class I route disposition in the marketing area in excess of Class I receipts from pool plants and other order plants.

Special producer provisions:

1. Marketing service. Deductions as authorized by membership contracts must be paid to qualified cooperative associations. A charge not to exceed 6 cents per hundredweight, deductible from nonmembers must be paid to the market administrator.
2. Base payment. No provisions.

Special handler provisions (Unregulated plants):

1. Plants subject to other Federal orders.
 - a. A handler who was regulated under this order in the immediately preceding month shall continue to be regulated under this order until the third consecutive month during which a greater portion of his Class I milk is disposed of on routes in the marketing area of another order.
 - b. A supply plant not claiming automatic pooling status under another order, would be regulated by the order where its greater shipments were made.
2. Producer-handlers. Must submit required reports to the market administrator.
3. Partially regulated distributing plants. The operators of such plants must:
 - a. Submit required reports to the market administrator.
 - b. Pay specified administrative assessment (see "Expense of administration" provision).
 - c. Make payments to the producer-settlement fund as computed in (1) or (2) below, whichever method the operator chooses.
 - (1) An amount determined by deducting actual payments to dairy farmers for "Grade A" milk from a total obligation computed as though the plant were a pool plant.
 - (2) An amount determined by multiplying total Class I route disposition in the marketing area less Class I receipts from pool plants and other order plants by the difference between the Class I price and the blend price at the location of the plant.

FEDERAL MILK ORDER NO. 46
Louisville-Lexington-Evansville, Kentucky-Indiana

er, revised:

8-1-64 (*indicates revised provisions)
2-1-65 (**indicates revised provisions)

Marketing area:

All territory, including governmental establishments, in the counties of Adair, Anderson, Bourbon, Boyle, Breckinridge, Bullitt, Butler, Casey, Clark, Clinton, Cumberland, Daviess, Edmonson, Fayette, Franklin, Garrard, Grayson, Green, Hancock, Hardin, Hart, Henderson, Henry, Hopkins, Jefferson, Jessamine, Larue, Lincoln, Logan, Madison, Marion, McLean, Meade, Mercer, Muhlenberg, Nelson, Ohio, Oldham, Pulaski, Russell, Scott, Shelby, Spencer, Taylor, Union, Washington, Wayne, Webster, and Woodford in Kentucky; and Clark, Crawford, Daviess, Dubois, Floyd, Gibson, Harrison, Knox, Martin, Orange, Perry, Pike, Posey, Spencer, Vanderburgh, Warrick, and Washington Counties, in Indiana.

Population (1960 Census): 2,183,854

Principal places are: Louisville, Lexington, and Owensboro, Kentucky; Evansville and New Albany, Indiana.

dler:

1. The operator of a pool plant, a partially regulated distributing plant, or an other order plant.
2. A cooperative association with respect to producer milk diverted by it from a pool plant to a nonpool plant.
3. A cooperative association with respect to producer-member milk delivered by it from farms to pool plants in tank trucks controlled by it.
4. A producer-handler.

ducer:

**Any person, other than a producer-handler under any order, who produces milk in compliance with "Grade A" inspection requirements, and whose milk is delivered to or diverted from a pool plant. A producer's milk may be diverted to a nonpool plant on any day during March through September and December, but on not more than 22 days during October, November, January, or February (11 days in the case of every-other-day delivery).

producer-handler:

Any person who operates, as his personal enterprise and at his personal risk, a dairy farm and a distributing plant at which milk is received only from his own production or from pool plants.

Pool plants:

1. Distributing plant. Any plant from which at least 30 percent, May through October, and 50 percent, November through April, of receipts from producers, cooperatives, and supply plants during the two months immediately preceding, is disposed of as Class I milk on routes, and the lesser of 13,500 pounds daily or 10 percent of such receipts is disposed of on routes in the marketing area.
2. Supply plant. Any plant from which at least 50 percent, October through March, and 40 percent, April through September, of receipts from producers and cooperatives is delivered to distributing plants. If this requirement is met during each month of October through March, the plant has automatic pool plant qualification, April through September, unless unregulated status is requested.
3. Cooperative association plant. Any plant operated by a cooperative association which delivers at least two-thirds of producer-member milk to other pool plants or meets the percentage requirements of a regulated distributing plant during each of the months of October through February.

*Nonpool plants:

1. Other order plant. Any plant fully regulated under another Federal order.
2. Producer-handler plant. Any plant operated by a producer-handler as defined in any order.
3. Partially regulated distributing plant. Any plant, other than a producer-handler plant or an other order plant, from which Class I milk is disposed of on routes in the marketing area and which does not meet the requirements for pooling.
4. Unregulated supply plant. Any nonpool plant, other than a producer-handler plant or an other order plant, that ships "Grade A" milk to a pool plant.

*Classification:

**1. Class I. All skim milk and butterfat not accounted for as Class II and disposed of in fluid form including milk, skim milk (including reconstituted and fortified), buttermilk, plain and flavored milk and milk drinks, sweet or sour cream, half and half, or any mixture in fluid form of milk or skim milk and cream which are neither sterilized nor packaged in hermetically sealed containers. Fortified products are Class I up to an equal volume of a like unfortified product.

**2. Class II. All skim milk and butterfat: Used to produce a nonfluid milk product; used to produce frozen cream; in skim equivalent of fortified products not accounted for as Class I; disposed of for livestock or dumped; disposed of to commercial food manufacturers; in end-of-month inventory; and, in shrinkage which is limited for receipts of milk subject in part to Class I allocation and unlimited for other receipts.

*Transfers:

**1. Transfers between pool plants. Classified as requested by both handlers, otherwise as Class I milk. The quantity assigned to either class is limited to the amount remaining in that class after allocating other source milk. The transfer must be classified so that the least possible Class I assignment is given to nonfluid, non-Grade A, or producer-handler milk. If the shipping plant receives other source milk to be prorated to classes, transfers shall not be Class I to a greater extent than would apply to a like quantity of such other source milk in the receiving plant.

2. Transfers to producer-handlers. Classified as Class I.

3. Transfers to other order plants. Such transfers, in excess of similar receipts from such plants, are classified in the class to which allocated as a fluid milk product under the other order. Such transfers can be classified as Class II up to the amount of available Class II utilization in the receiving plant, if both handlers request Class II utilization.

4. Transfers to other nonpool plants. Classified as Class I unless all of the following conditions are met:

a. For bulk milk and skim milk.

(1) The nonpool plant is located less than 250 miles from the nearer of Louisville, Kentucky, or Evansville, Indiana.

(2) The transferring handler claims classification on the basis of receipts and utilization at the nonpool plant.

(3) The operator of the nonpool plant makes utilization records available to the market administrator.

b. For bulk cream.

(1) The transferring handler claims Class II utilization.

(2) The cream was transferred without "Grade A" certification.

*Receipts of other source milk:

1. Allocation to classes. After first deducting Class II shrinkage from total Class II utilization, receipts of other source milk are allocated to classes as follows: (If the amount of an other source receipt to be allocated to Class II in "a" or "b" below exceeds the amount of unallocated Class II utilization remaining at the plant, the excess is allocated to Class I. For items "c", "e", and "f", the excess is applied against available Class II utilization at another pool plant operated by the handler.)

a. Packaged fluid milk products received from other order plants are allocated 2 percent to Class II and 98 percent to Class I.

b. Other source milk received in a nonfluid form, without "Grade A" certification, or from producer-handlers is allocated to Class II.

c. Receipts from unregulated supply plants for which the handler requests Class II utilization, or which are in excess of 125 percent of Class I needs, are allocated to Class II.

d. Bulk receipts from other order plants in excess of similar transfers to such plants for which both handlers request Class II utilization are allocated to Class II.

After deducting inventory on hand at the beginning of the month from Class II, and adding Class II shrinkage back to Class II, the following allocations of other source receipts are made:

e. Receipts from unregulated supply plants for which the handler does not request Class II utilization, and which are not in excess of 125 percent of Class I needs, are allocated to Class I and Class II in the same proportion as the remaining unallocated Class I and Class II utilization.

f. Bulk receipts from other order plants in excess of similar transfers to such plants for which the handler does not request Class II utilization are allocated to Class I and Class II in the same proportion as either the remaining unallocated Class I and Class II utilization, or the estimated market wide utilization, whichever represents the greater Class II use.

2. Pool obligations for other source milk. A handler has a pool obligation at the difference between the Class I and Class II price for each hundredweight of other source milk received in a nonfluid form, without "Grade A" certification, or from producer-handlers that is allocated to Class I. He also has an obligation on the amount of unregulated supply plant receipts that were allocated to Class I. This obligation is computed at the difference between the Class I price and the blend price, both adjusted for location.

Class prices: (3.5 percent butterfat test)

1. Basic formula. Average price paid per hundredweight for manufacturing grade milk, f.o.b. plants in Minnesota and Wisconsin adjusted to a 3.5 percent butterfat content by Chicago 92-score butter price for the month times 0.120.

2. Class I. Basic formula price for the preceding month, plus \$1.29. A supply-demand adjustment, based on producer receipts and gross Class I sales, is applied to the resulting price. The maximum adjustment is plus or minus 50 cents.

3. Class II. Basic formula price (minus 10 cents, April through August).

Butterfat differentials:

1. Class I. Chicago 92-score butter price for the preceding month times 0.125.

2. Class II. Chicago 92-score butter price for the month x 0.120.

3. Producer. Weighted average of Class I and Class II differentials.

*Location differentials:

Class I and producer. For plants located 85 miles or more from the nearer of Evansville, Indiana, or Louisville, Lexington, Danville, Elizabethtown, or Madisonville, Kentucky, deduct: (Such adjustment is also applicable to unregulated supply plant receipts allocated to Class I.)

- a. 15.0 cents - 85 to 94 miles.
- b. 1.5 cents - each additional 10 miles.

Type of pool:

Market wide, monthly pool with seasonal incentive payment plan under which deductions at the rate of 12 percent of the simple average of the basic formula prices for the 12 months of preceding calendar year are withheld from payments to producers during April through July, and paid out at the rate of 25 percent of the fund each month September through December.

*Expense of administration:

The expense of administration, not to exceed 3 cents per hundredweight, is paid by regulated handlers on producer milk, and on the amount of nonfluid, non-Grade A, producer-handler, and unregulated supply plant receipts assigned to Class I. Partially regulated distributing plants pay the same assessment on Class I route disposition in the marketing area in excess of Class I receipts from pool plants and other order plants.

Special producer provisions:

1. Marketing service. Deductions as authorized by membership contracts must be paid to qualified cooperative associations. A charge not to exceed 5 cents per hundredweight, deductible from nonmembers must be paid to the market administrator.
2. Base payment. No provisions.

Special handler provisions (Unregulated plants):

1. Plants subject to other Federal orders. Handlers who dispose of a greater portion of their Class I milk on routes in the marketing area of another order for 4 consecutive months are not subject to regulation under this order except for reports which may be required by the market administrator.

2. Producer-handlers. Must submit required reports to the market administrator.

*3. Partially regulated distributing plants. The operators of such plants must:

- a. Submit required reports to the market administrator.

- b. Pay specified administrative assessment (see "Expense of administration" provision).
- c. Make payments to the producer-settlement fund as computed in (1) or (2) below, whichever method the operator chooses.
 - (1) An amount determined by deducting actual payments to dairy farmers for "Grade A" milk from a total obligation computed as though the plant were a pool plant.
 - (2) An amount determined by multiplying total Class I route disposition in the marketing area less Class I receipts from pool plants and other order plants by the difference between the Class I price and the blend price at the location of the plant.

FEDERAL MILK ORDER NO. 68
Minneapolis-St. Paul, Minnesota

Order, revised 8-1-64:

(*indicates revised provisions)

See: Order suspension page for possible temporary changes.

Marketing area:

Specified cities and townships in the following Minnesota counties: Anoka, Dakota, Hennepin, Ramsey, and Washington.

Population (1960 Census): 1,342,278

Principal places are: Minneapolis, St. Paul, St. Louis Park, and Richfield, Minnesota.

*Handler:

1. The operator of a pool plant, partially regulated distributing plant, or other order plant.
2. A cooperative association which operates a pool plant with respect to producer milk delivered for its account from farms to pool plants of other handlers.
3. A producer-handler.

*Producer:

Any person, other than a producer-handler under any order, who produces milk in compliance with "Grade A" inspection requirements, and whose milk is delivered to or diverted from a pool plant. Any producer whose milk is received at a pool plant and then delivered to a nonpool plant during any portion of the months of July through October, cannot regain producer status until the next July 1.

Producer-handler:

Any person who operates, as his personal enterprise and at his personal risk, a dairy farm and a milk processing or bottling plant at which no milk is received from other dairy farms, and not more than 50,000 pounds of milk is received during the month from cooperative associations.

Pool plants:

1. Distributing plant. Any plant from which at least 15 percent of total Class I disposition is on routes in the marketing area; and total disposition of Class I milk is 40 percent or more of "Grade A" receipts during the months of January through June, and 60 percent or more during July through December.
2. Supply plant. Any plant from which at least 50 percent of producer receipts is delivered to pool distributing plants and other distributing plants

located in the marketing area. If this requirement is met each month, August through October, the plant has automatic pool plant qualification; November through July. In the case of a cooperative association, if 30 percent or more of its producer-member milk is shipped, August through October, directly to regulated distributing plants in Minneapolis or St. Paul, such direct-shipped milk may be used by the cooperative plant in meeting the 50 percent requirement.

*Nonpool plants:

1. Other order plant. Any plant fully regulated under another Federal order.
2. Producer-handler plant. Any plant operated by a producer-handler as defined in any order.
3. Partially regulated distributing plant. Any nonpool plant, other than a producer-handler plant or an other order plant, from which Class I milk is disposed of on routes in the marketing area.
4. Unregulated supply plant. Any nonpool plant other than a producer-handler plant or an other order plant that ships "Grade A" milk to a pool plant.

*Classification:

1. Class I. All skim milk and butterfat not accounted for as Class II and disposed of in fluid form as milk, skim milk (including reconstituted), concentrated milk, buttermilk, flavored milk and milk drinks, sweet or sour cream (including smetana and similar sour cream products), mixtures of cream and milk or skim milk, and in shrinkage of receipts of milk subject in part to Class I allocation. Fortified products are Class I up to an equal volume of a like unfortified product.
2. Class II. All skim milk and butterfat: Used to produce a nonfluid milk product; in frozen cream stored in a public cold storage warehouse; disposed of as livestock feed; in skim equivalent of fortified products not accounted for as Class I; and, in shrinkage prorated to receipts of other source milk not subject to Class I allocation.

*Transfers:

1. Transfers between pool plants. Classified as requested by both handlers, otherwise as Class I milk. The quantity assigned to either class is limited to the amount remaining in that class after allocating other source milk. The transfer must be classified so that the least possible Class I assignment is given to nonfluid, non-Grade A, or producer-handler milk. If the shipping plant receives other source milk to be prorated to classes, transfers shall not be Class I to a greater extent than would apply to a like quantity of such other source milk in the receiving plant.
2. Transfers to producer-handlers. Classified as Class I.
3. Transfers by a cooperative association. Classified as Class I if transferred directly from a producer's farm to a nonpool distributing plant.

4. Transfers to other order plants. Such transfers, in excess of similar receipts from such plants are classified in the class to which allocated as a fluid milk product under the other order. Such transfers can be classified as Class II up to the amount of available Class II utilization in the receiving plant, if both handlers request Class II utilization.

5. Transfers to other nonpool plants. Classified as Class I unless all of the following conditions are met:

- a. The transfer is in bulk.
- b. The nonpool plant is located not more than 100 miles from St. Paul, Minnesota.
- c. The transferring handler claims classification on the basis of receipts and utilization at the nonpool plant.
- d. The operator of the nonpool plant makes utilization records available to the market administrator.

*Receipts of other source milk.

1. Allocation to classes. Receipts of other source milk are allocated to classes as follows: (If the amount of an other source receipt to be allocated to Class II exceeds the amount of unallocated Class II utilization remaining, the excess is allocated to Class I.)

- a. Packaged fluid milk products received from other order plants are allocated 2 percent to Class II and 98 percent to Class I.
- b. Other source milk received in a nonfluid form, without "Grade A" certification, or from producer-handlers is allocated to Class II.
- c. Receipts from unregulated supply plants for which the handler requests Class II utilization, or which are in excess of 125 percent of Class I needs are allocated to Class II.
- d. Bulk receipts from other order plants in excess of similar transfers to such plants for which both handlers request Class II utilization are allocated to Class II.
- e. Receipts from unregulated supply plants for which the handler does not request Class II utilization, and which are not in excess of 125 percent of Class I needs, are allocated to Class I and Class II in the same proportion as the remaining unallocated Class I and Class II utilization.
- f. Bulk receipts from other order plants in excess of similar transfers to such plants for which the handler does not request Class II utilization are allocated to Class I and Class II in the same proportion as either the remaining unallocated Class I and Class II utilization, or the estimated market wide utilization, whichever represents the greater Class II use.

2. Pool obligations for other source milk. A handler has a pool obligation at the difference between the Class I and Class II price for each hundredweight

of other source milk received in a nonfluid form, without "Grade A" certification, or from producer-handlers that is allocated to Class I. He also has an obligation on the amount of unregulated supply plant receipts that were allocated to Class I. This obligation is computed at the difference between the Class I price and the blend price, both adjusted for location.

Class prices: (3.5 percent butterfat test)

1. Basic formula. Average price paid per hundredweight for manufacturing grade milk, f.o.b. plants in Minnesota and Wisconsin adjusted to a 3.5 percent butterfat content by Chicago 92-score butter price for the month times 0.120.

2. Class I. Basic formula price for the preceding month plus:

\$1.00: July through November
.76: December through June

A supply-demand adjustment, based on producer receipts and gross Class I sales, is applied to the resulting price. The maximum adjustment is plus or minus 24 cents.

3. Class II. Basic formula price.

Butterfat differentials:

1. Class I. New York 93-score butter price for the preceding month x 0.125, December through June; and 0.135, July through November.

2. Class II and producer. New York 93-score butter price for the current month x 0.12114.

*Location differentials:

Class I and producer. For plants located 15 miles or more from St. Paul, Minnesota, deduct: (Such adjustment is also applicable to unregulated supply plant receipts allocated to Class I.)

- a. 8.0 cents - 15 to 20 miles.
- b. 2.0 cents - each additional 10 miles up to 50 miles.
- c. 1.0 cent - each additional 10 miles beyond 50 miles.

Type of pool:

Market wide, monthly pool with base payments.

*Expense of administration:

The expense of administration, not to exceed 3 cents per hundredweight, is paid by regulated handlers on producer milk, and on the amount of nonfluid, non-Grade A, producer-handler, and unregulated supply plant receipts assigned to Class I. Partially regulated distributing plants pay the same assessment on Class I route disposition in the marketing area in excess of Class I receipts from pool plants and other order plants.

Special producer provisions:

1. Marketing service. A charge not to exceed 6 cents per hundredweight is deducted from producers who do not belong to a cooperative association and paid to the market administrator.
2. Base payment. Base payment plan applies January through June with each producer's daily base computed by dividing the total pounds of milk delivered by the producer to regulated plants during the preceding months of July through October by the number of days of delivery during the period (not less than 105 days). The base for a producer who fails to qualify during July through October is 30 percent of deliveries in each month, January through June.

Special handler provisions (Unregulated plants):

1. Plants subject to other Federal orders. Handlers who dispose of a greater portion of their Class I milk on routes in the marketing area of another order, are not subject to regulation under this order except for reports which may be required by the market administrator.
2. Producer-handler. Must submit required reports to the market administrator.

*3. Partially regulated distributing plants. The operators of such plants must:

- a. Submit required reports to the market administrator.
- b. Pay specified administrative assessment (see "Expense of administration" provision).
- c. Make payments to the producer-settlement fund as computed in (1) or (2) below, whichever method the operator chooses.

- (1) An amount determined by deducting actual payments to dairy farmers for "Grade A" milk from a total obligation computed as though the plant were a pool plant.
- (2) An amount determined by multiplying total Class I route disposition in the marketing area less Class I receipts from pool plants and other order plants by the difference between the Class I price and the blend price at the location of the plant.

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For the first time, the *Journal of the American Statistical Association* has been indexed in the *Journal Citation Reports*.

FEDERAL MILK ORDER NO. 36
Northeastern OhioOrder, revised:

8-1-64 (*indicates revised provisions)

1-1-65 (**indicates revised provisions)

4-1-65 (***)indicates revised provisions)

See: Order suspension page for possible temporary changes.

Marketing area:

All territory, including governmental establishments in the Ohio counties of Cuyahoga and Summit; and specified areas in the Ohio counties of Stark, Ashtabula, Columbiana, Lake, Lorain, Mahoning, Medina, Portage, and Wayne.

Population (1960 Census): 2,935,914

Principal places are: Cleveland, Akron, and Canton, Ohio.

*Handler:

1. The operator of a pool plant, partially regulated distributing plant or an other order plant.
2. A cooperative association with respect to producer milk diverted by it from a pool plant to a nonpool plant.
3. A cooperative association with respect to producer-member milk delivered by it from farms to pool plants in tank trucks controlled by it.
4. A producer-handler.

**Producer:

Any person, other than a producer-handler under any order, who produces milk in compliance with "Grade A" inspection requirements, and whose milk is delivered to or diverted from a pool plant. A producer's milk may be diverted to a nonpool plant on any day during April through July; and during August through March at least 6 days' production must be delivered to a pool plant.

Producer-handler:

Any person who operates a dairy farm and a distributing plant at which milk is received only from his own production or from pool plants.

Pool plants:

1. Distributing plant. Any plant from which at least 50 percent of "Grade A" receipts is disposed of as Class I milk on routes, with some of such disposition in the marketing area; or 40 percent during the months of April through July if the plant qualified each month of August through March.

2. Supply plant. Any plant from which at least 30 percent of producer receipts is delivered to distributing plants during the current month or in any period of consecutive months ending with the current month.

Unless unregulated status is requested, a plant which qualifies as a supply plant in the months of August through January and which during that period ships 10 percent of receipts in any month and 30 percent during the entire period; is a supply plant February through July, regardless of shipments, and is a supply plant each successive month of August through January in which 10 percent of its receipts from dairy farmers is shipped to a distributing plant.

3. Cooperative association plant. Any plant, operated by a cooperative association and located less than 40 miles from Cleveland, Ohio or less than 27.5 miles from the nearer of Akron, Canton or Ashtabula, Ohio, which delivers at least one-half of its producer-member milk during the preceding six months to other pool plants.

*Nonpool plants:

1. Other order plant. Any plant fully regulated under another Federal order.

2. Producer-handler plant. Any plant operated by a producer-handler as defined in any order.

3. Partially regulated distributing plant. Any plant, other than a producer-handler plant or an other order plant, from which Class I milk is disposed of on routes in the marketing area and which does not meet the requirements for pooling.

4. Unregulated supply plant. Any nonpool plant other than a producer-handler plant or an other order plant that ships "Grade A" milk to a pool plant.

***Classification:

1. Class I. All skim milk and butterfat not accounted for as Class II milk and disposed of as a fluid milk product, including milk and skim milk (including reconstituted), buttermilk, flavored milk and milk drinks (including "dietary" milk products), concentrated milk (not in hermetically sealed cans), cream and any mixture of cream and milk or skim milk. Fortified products are Class I up to an equal volume of a like unfortified product.

*2. Class II. All skim milk and butterfat: Used to produce a nonfluid milk product; disposed of to commercial food manufacturers; disposed of for livestock feed or dumped; in skim equivalent of fortified products not accounted for as Class I; in frozen cream; in end-of-month inventory; and, in shrinkage which is limited for receipts of milk subject in part to Class I allocation, and unlimited for other receipts.

*Transfers:

1. Transfers between pool plants. Classified as requested by both handlers, otherwise as Class I milk. The quantity assigned to either class is limited to the amount remaining in that class after allocating other source milk. The transfer must be classified so that the least possible Class I assignment is given to nonfluid, non-Grade A, or producer-handler milk. If the shipping plant receives other source milk

to be prorated to classes, transfers shall not be Class I to a greater extent than would apply to a like quantity of such other source milk in the receiving plant.

2. Transfers to producer-handlers. Classified as Class I.

3. Transfers to other order plants. Such transfers, in excess of similar receipts from such plants, are classified in the class to which allocated as a fluid milk product under the other order. Such transfers can be classified as Class II up to the amount of available Class II utilization in the receiving plant, if both handlers request such utilization.

4. Transfers to other nonpool plants. Classified as Class I unless all of the following conditions are met:

a. The transfer is in bulk.

b. The nonpool plant is located not more than 265 miles from Cleveland, Ohio.

c. The transferring handler claims classification on the basis of receipts and utilization at the nonpool plant.

d. The operator of the nonpool plant makes utilization records available to the market administrator.

*Receipts of other source milk:

1. Allocation to classes. After first deducting Class II shrinkage from total Class II utilization, receipts of other source milk are allocated to classes as follows: (If the amount of an other source receipt to be allocated to Class II exceeds the amount of unallocated Class II utilization remaining, the excess is allocated to Class I.)

a. Packaged fluid milk products received from other order plants are allocated 2 percent to Class II and 98 percent to Class I.

b. Other source milk received in a nonfluid form, without "Grade A" certification, or from producer-handlers, is allocated to Class II.

c. Receipts from unregulated supply plants for which the handler requests Class II utilization, or which are in excess of 125 percent of Class I needs, are allocated to Class II.

d. Bulk receipts from other order plants in excess of similar transfers to such plants for which both handlers request Class II utilization are allocated to Class II.

After deducting inventory on hand at the beginning of the month from Class II, and adding Class II shrinkage back to Class II, the following allocations of other source receipts are made:

e. Receipts from unregulated supply plants for which the handler does not request Class II utilization, and which are not in excess of 125 percent of Class I needs, are allocated to Class I and Class II in the same proportion as the remaining unallocated Class I and Class II utilization.

f. Bulk receipts from other order plants in excess of similar transfers to such plants for which the handler does not request Class II utilization are allocated to Class I and Class II in the same proportion as either the remaining unallocated Class I and Class II utilization, or the estimated market wide utilization, whichever represents the greater Class II use.

2. Pool obligations for other source milk. A handler has a pool obligation at the difference between the Class I and Class II price for each hundredweight of other source milk received in a nonfluid form, without "Grade A" certification, or from producer-handlers that is allocated to Class I. He also has an obligation on the amount of unregulated supply plant receipts that were allocated to Class I. The obligation is computed at the difference between the Class I price and the blend price, both adjusted for location.

***Class prices: (3.5 percent butterfat test)

1. Basic formula. Average price paid per hundredweight for manufacturing grade milk, f.o.b. plants in Minnesota and Wisconsin adjusted to a 3.5 percent butterfat content by Chicago 92-score butter price for the month x 0.120.

**2. Class I. Basic formula price for the preceding month plus:

\$1.40: April through July
1.80: August through March

A supply-demand adjustment, based on producer receipts and gross Class I sales, is applied to the resulting price. Maximum adjustment is plus or minus 25 cents.

3. Class II. The basic formula price but not higher than the following:

(Chicago 92-score butter price -3 cents x 4.2) + (Chicago area spray price -5.5 cents x 8.5 x 0.965), plus 10 cents.

Butterfat differentials: (3.5 percent butterfat test)

1. Class I. Chicago 92-score butter price for the preceding month times 0.130.

2. Class II. Chicago 92-score butter price for the current month times 0.115.

3. Producer. Weighted average of Class I and Class II differentials.

***Location differentials:

Class I and Producer. For plants or reload points located both 40 miles or more from Cleveland, Ohio and 27.5 miles or more from Akron, Canton, or Ashtabula, Ohio, deduct: (Such adjustment is also applicable to unregulated supply plant milk.)

- a. 13 cents - 40 to 60 miles.
- b. 1 cent - each additional 10 miles.

Type of pool:

Market wide, monthly pool.

*Expense of administration:

The expense of administration, not to exceed 3 cents per hundredweight, is paid by regulated handlers on producer milk, and on the amount of nonfluid, non-Grade A, producer-handler, and unregulated supply plant receipts assigned to Class I. Partially regulated distributing plants pay the same assessment on Class I route disposition in the marketing area in excess of Class I receipts from pool plants and other order plants.

Special producer provisions:

1. Marketing service. Deductions as authorized by membership contracts must be paid to qualified cooperative associations. A charge not to exceed 5 cents per hundredweight, deductible from nonmembers must be paid to the market administrator.
2. Base payment. No provisions.

*Special handler provisions:

1. Plants subject to other Federal orders. Handlers who dispose of a greater portion of their Class I milk on routes in the marketing area of another order are not subject to regulation under this order, except for reports which may be required by the market administrator.

2. Producer-handlers. Must submit required reports to the market administrator.

*3. Partially regulated distributing plants. The operators of such plants must:

- a. Submit required reports to the market administrator.
- b. Pay specified administrative assessment (see "Expense of administration" provision).
- c. Make payments to the producer-settlement fund as computed in (1) or (2) below, whichever method the operator chooses.
 - (1) An amount determined by deducting actual payments to dairy farmers for "Grade A" milk from a total obligation computed as though the plant were a pool plant.

(2) An amount determined by multiplying total Class I route disposition in the marketing area, less Class I receipts from pool plants and other order plants, by the difference between the Class I price and the blend price at the location of the plant.

FEDERAL MILK ORDER NO. 99
Paducah, Kentucky-MissouriOrder, revised

8-1-64 (*indicates revised provisions)

10-1-64 (**indicates revised provisions)

4-1-65 (***)indicates revised provisions)

See: Order suspension page for possible temporary changes.

**Marketing area:

All territory in the counties of Ballard, Caldwell, Calloway, Carlisle, Christian, Graves, Hickman, Livingston, Lyon, Marshall, McCracken, Todd, and Trigg, in the state of Kentucky; and, the counties of Mississippi, New Madrid, Pemiscot, and Scott, in the state of Missouri.

Population (1960 Census): 358,622

Principal places are: Paducah, Hopkinsville, and Mayfield, Kentucky; Sikeston, Missouri.

*Handler:

1. The operator of a pool plant, partially regulated distributing plant, or an other order plant.
2. A cooperative association with respect to producer milk diverted by it from a pool plant to a nonpool plant.
3. A cooperative association with respect to producer-member milk delivered by it from farms to pool plants in tank trucks controlled by it.
4. A producer-handler.

**Producer:

Any person, other than a producer-handler under any order, who produces milk in compliance with "Grade A" inspection requirements, and whose milk is delivered to or diverted from a pool plant. A producer's milk may be diverted to a nonpool plant on any day during the months of February through August and not more than 10 days' production may be diverted during September through January.

Producer-handler:

Any person who operates a dairy farm and a distributing plant at which milk is received only from his own production or from pool plants.

**Pool plants:

1. Distributing plant. Any plant from which at least 45 percent of receipts from producers and pool plants is disposed of as Class I milk on routes, and the lesser of 10 percent of such receipts or a daily average of 3,000 pounds is disposed of on routes in the marketing area. A plant meeting these requirements in any month has automatic pool plant qualification the following month.

2. Supply plant. Any plant from which at least 50 percent of receipts from producers and pool plants is delivered to distributing plants or distributed on routes as Class I milk. If a supply plant ships at least 75 percent of its producer milk to distributing plants in October and November and at least 35 percent in three additional months, during the preceding August through January period, the plant has automatic pool plant qualification, if requested, during February through June and until the end of any month during August through January in which it can no longer reestablish automatic pool plant qualification.

*Nonpool plant:

1. Other order plant. Any plant fully regulated under another Federal order.
2. Producer-handler plant. Any plant operated by a producer-handler as defined in any order.
3. Partially regulated distributing plant. Any nonpool plant, other than a producer-handler plant or an other order plant, from which Class I milk is disposed of on routes in the marketing area.
4. Unregulated supply plant. Any nonpool plant other than a producer-handler plant or an other order plant that ships "Grade A" milk to a pool plant.

*Classification:

- ***1. Class I. All skim milk and butterfat not accounted for as Class II and disposed of in fluid form as milk, skim milk, buttermilk, flavored milk and milk drinks, reconstituted milk or skim milk, concentrated milk (not sterilized in hermetically sealed containers), sweet and sour cream, and any mixture of cream and milk or skim milk. Fortified products are Class I up to an equal volume of a like unfortified product.
2. Class II. All skim milk and butterfat: Used to produce a nonfluid milk product; in end-of-month inventory; in skim equivalent of fortified products not accounted for as Class I; and, in shrinkage which is limited for receipts of milk subject in part to Class I allocation, and unlimited for other receipts.

*Transfers:

1. Transfers between pool plants. Classified as requested by both handlers, otherwise as Class I milk. The quantity assigned to either class is limited to the amount remaining in that class after allocating other source milk. The transfer must be classified so that the least possible Class I assignment is given to nonfluid, non-Grade A, or producer-handler milk. If the shipping plant receives other source milk to be prorated to classes, transfer transfers shall not be Class I to a greater extent than would apply to a like quantity of such other source milk in the receiving plant.
2. Transfers to producer-handlers: Classified as Class I.
3. Transfers to other order plants. Such transfers, in excess of similar receipts from such plants, are classified in the class to which allocated as a fluid milk product under the other order. Such transfers can be classified as Class II up to the amount of available Class II utilization in the receiving plant, if both handlers request such utilization.

4. Transfers to other nonpool plants. Classified as Class I unless all of the following conditions are met:

- a. The transfer is in bulk.
- b. The transferring handler claims classification on the basis of receipts and utilization at the nonpool plant.
- c. The operator of the nonpool plant makes utilization records available to the market administrator.

*Receipts of other source milk:

1. Allocation to classes. After first deducting Class II shrinkage from total Class II utilization, receipts of other source milk are allocated to classes as follows: (If the amount of an other source receipt to be allocated to Class II exceeds the amount of unallocated Class II utilization remaining, the excess is allocated to Class I.)

- a. Packaged fluid milk products received from other order plants are allocated 2 percent to Class II and 98 percent to Class I.
- b. Other source milk received in a nonfluid form, without "Grade A" certification or from producer-handlers is allocated to Class II.
- c. Receipts from unregulated supply plants for which the handler requests Class II utilization, or which are in excess of 125 percent of Class I needs, are allocated to Class II.
- d. Bulk receipts from other order plants in excess of similar transfers to such plants for which both handlers request Class II utilization are allocated to Class II.

After deducting inventory on hand at the beginning of the month from Class II and adding Class II shrinkage back to Class II, the following allocations of other source receipts are made:

- e. Receipts from unregulated supply plants for which the handler does not request Class II utilization, and which are not in excess of 125 percent of Class I needs, are allocated to Class I and Class II in the same proportion as the remaining unallocated Class I and Class II utilization.
- f. Bulk receipts from other order plants in excess of similar transfers to such plants for which the handler does not request Class II utilization are allocated to Class I and Class II in the same proportion as either the remaining unallocated Class I and Class II utilization, or the estimated market wide utilization, whichever represents the greater Class II use.

2. Pool obligations for other source milk. A handler has a pool obligation at the difference between the Class I and Class II price for each hundred-weight of other source milk received in a nonfluid form, without "Grade A" certification or from producer-handlers that is allocated to Class I. He also has an obligation on the amount of unregulated supply plant receipts that were allocated to Class I. The obligation is computed at the difference between the Class I price and the blend price, both adjusted for location.

***Class prices: (3.5 percent butterfat test)

1. Basic formula. Average price paid per hundredweight for manufacturing grade milk, f.o.b. plants in Minnesota and Wisconsin adjusted to a 3.5 percent butterfat content by Chicago 92-score butter price for the month x times 0.120.

**2. Class I. Basic formula price for the preceding month plus:

\$1.05: April through June

1.15: March and July

1.45: August through February

(Add 10 cents to the Class I price at pool plants located within that portion of the marketing area in the State of Missouri.)

3. Class II. The basic formula price.

Butterfat differentials:

1. Class I. Chicago 92-score butter price for the preceding month x 0.120.

2. Class II. Chicago 92-score butter price for the current month x 0.115, August through March; 0.110, April through July.

3. Producer. Two cents plus one-half cent for each five cents that the Chicago 92-score butter price is above 12.5 cents per pound. The maximum differential is 10 cents.

*Location differentials:

Class I and producer.

a. For plants located 40 miles or more from the nearest County Courthouse in any of the counties in the marketing area, deduct: (Such adjustment is also applicable to unregulated supply plant receipts allocated to Class I.)

(1) 7.5 cents - 40 to 49 miles.

(2) 1.5 cents - each additional 10 miles.

b. For producer milk received at plants located in the portion of the marketing area in Missouri, the price is increased by an amount obtained by multiplying the pounds of Class I milk at these plants by 10 cents and dividing by the pounds of producer milk.

Type of pool:

Market wide, monthly pool.

*Expense of administration:

The expense of administration, not to exceed 5 cents per hundredweight, is paid by regulated handlers on producer milk, and on the amount of nonfluid, non-Grade A, producer-handler, and unregulated supply plant receipts assigned to Class I. Partially regulated distributing plants pay the same assessment on Class I route disposition in the marketing area in excess of Class I receipts from pool plants and other order plants.

Special producer provisions:

1. Marketing service. Deductions as authorized by membership contracts must be paid to qualified cooperative associations. A charge not to exceed six cents per hundredweight, deductible from nonmembers must be paid to the market administrator.

2. Base payment. No provisions.

Special handler provisions (Unregulated plants):***1. Plants subject to other Federal orders.

a. A handler who was regulated under this order in the immediately preceding month shall continue to be regulated under this order until the third consecutive month during which a greater portion of his Class I milk is disposed of on routes in the marketing area of another order unless, notwithstanding this provision the plant is fully regulated by another Federal order. Handlers subject to regulation under another Federal order may be required to submit reports to the market administrator.

b. A supply plant subject to regulation under another order would be regulated under this order during February through July if pool plant requirements were met during each of the preceding months of August through January.

2. Producer-handler. Must submit required reports to the market administrator.

*3. Partially regulated distributing plants. The operators of such plants must:

a. Submit required reports to the market administrator.

b. Pay specified administrative assessment (see "Expense of administration" provision).

c. Make payments to the producer-settlement fund as computed in (1) or (2) below, whichever method the operator chooses.

(1) An amount determined by deducting actual payments to dairy farmers for "Grade A" milk from a total obligation computed as though the plant were a pool plant.

(2) An amount determined by multiplying total Class I route disposition in the marketing area less Class I receipts from pool plants and other order plants by the difference between the Class I price and the blend price at the location of the plant.

FEDERAL MILK ORDER NO. 125
Puget Sound, WashingtonOrder, revised 8-1-64:

(*indicates revised provisions)

See: Order suspension page for possible temporary changes.

Marketing area:

All territory, including governmental installations and institutions, in the following Washington Counties: DISTRICT NO. 1: All of Thurston and parts of King, Pierce, Snohomish, and Grays Harbor. DISTRICT NO. 2: Part of Whatcom. DISTRICT NO. 3: Part of Lewis and Pacific. DISTRICT NO. 4: Part of Skagit.

Population (1960 Census): 1,672,344

Principal places are: Seattle, Tacoma, Everett, and Bellingham, Washington.

*Handler:

1. The operator of a pool plant, partially regulated distributing plant or an other order plant.
2. A cooperative association with respect to producer milk diverted by it from a pool plant to a nonpool plant.

Producer:

Any person, other than a producer-handler under any order, who produces milk in compliance with "Grade A" inspection requirements, and whose milk is delivered to or diverted from a pool plant.

*Producer-handler:

Any person who operates, as his personal enterprise and at his personal risk, milk production, handling, processing and distributing facilities from which during the month 3,400 pounds of fluid milk products, received only from his own production or from pool plants, are distributed in the marketing area. He may receive up to 100 pounds per day of packaged fluid or frozen skim milk, skim milk drinks, buttermilk, flavored milk and milk drinks and cream from pool plants. He may receive other fluid milk products from pool plants only within a single span of 45 days in any 12-month period.

Pool plants:

1. Distributing plant. Any plant located in the marketing area, from which during the month fluid milk products are disposed of on routes in the marketing area; and, any plant located outside the marketing area from which at least 50 percent of producer receipts in each month of October through December and 20 percent, January through September, is disposed of as fluid milk products in the marketing area. If the 50 percent requirement is met each month of the October through December period, the plant has automatic pool plant qualification, January through September, unless unregulated status is requested,

2. Supply plant. Any plant, located in the marketing area which is approved for receiving "Grade A" milk and, any such plant located outside the marketing area from which 50 percent of producer receipts, during each month of October through December, and 20 percent, January through September, is delivered to distributing plants. If the 50 percent requirement is met each month of the October through December period, the plant has automatic pool plant qualification, January through September, unless unregulated status is requested. The Sequim Creamery Association plant is a supply plant exempted from the percentage pooling requirements.

*Nonpool plants:

1. Other order plant. Any plant fully regulated under another Federal order.
2. Producer-handler plant. Any plant operated by a producer-handler as defined in any order.
3. Partially regulated distributing plant. Any nonpool plant, other than a producer-handler plant or an other order plant, from which during the month more than 3,400 pounds of fluid milk products are disposed of to any plant or establishment in the marketing area, other than a plant.
4. Unregulated supply plant. Any nonpool plant other than a producer-handler plant or an other order plant that ships "Grade A" milk to a pool plant.

*Classification:

1. Class I. All skim milk and butterfat: Not accounted for as Class II milk and disposed of in fluid or frozen form as milk, skim milk (including reconstituted and fortified), skim milk drinks, buttermilk, flavored milk and milk drinks, sweet and sour cream, and mixtures of cream and milk or skim milk; used in the production of concentrated milk, skim milk, and flavored milk and milk drinks; contained in inventory variations; and, in excess shrinkage of pool milk.
2. Class II. All skim milk and butterfat: Used to produce a nonfluid milk product; disposed of for livestock feed; disposed of to commercial food manufacturers; and, in shrinkage of up to 2 percent of producer milk, and bulk receipts from other order plants and unregulated supply plants for which Class II utilization was not requested and unlimited for other receipts of other source milk.

*Transfers:

1. Transfers between pool plants. Classified as Class I up to the amount of available Class I utilization at the receiving plant if transferred to a distributing plant located in the marketing area, after allocating other source milk. If the transfer is to a pool plant other than a distributing plant located in the marketing area, it is classified as Class II up to the amount of available Class II utilization at the receiving plant after allocating other source milk.
2. Transfers to producer-handlers. Classified as Class I.

3. Transfers to other order plants. Such transfers, in excess of similar receipts from such plants, are classified in the class to which allocated as a fluid milk product under the other order. Such transfers can be classified as Class II up to the amount of available Class II utilization in the receiving plant, if both handlers request such utilization.

4. Transfers to other nonpool plants. Classified as Class I unless the following conditions are met:

- a. The nonpool plant is located within the marketing area or within Kitsap, Mason, Clallam, Jefferson, Grays Harbor, Pierce or Island Counties, Washington.
- b. The nonpool plant does not distribute fluid milk products.
- c. The market administrator is permitted to audit the records of the nonpool plant.

Receipts of other source milk:

1. Allocation to classes. After first deducting Class II shrinkage from total Class II utilization, receipts of other source milk are allocated to classes as follows: (If the amount of an other source receipt to be allocated to Class II in "a" or "b" below exceeds the amount of unallocated Class II utilization remaining at the plant, the excess is allocated to Class I. For items "e" and "f", the excess is applied against available Class II utilization at another pool plant operated by the handler.)

- a. Packaged fluid milk products received from other order plants are allocated 2 percent to Class II and 98 percent to Class I.
- b. Other source milk received in a nonfluid form, without "Grade A" certification, or from producer-handlers is allocated to Class II.
- c. Receipts from unregulated supply plants for which the handler requests Class II utilization, or which are in excess of 125 percent of Class I needs are allocated to Class II.
- d. Bulk receipts from other order plants in excess of similar transfers to such plants for which both handlers request Class II utilization are allocated to Class II.

After adding Class II shrinkage back to Class II, the following allocations of other source receipts are made.

- e. Receipts from unregulated supply plants for which the handler does not request Class II utilization, and which are not in excess of 125 percent of Class I needs, are allocated to Class I and Class II in the same proportion as the reamining unallocated Class I and Class II utilization.
- f. Bulk receipts from other order plants in excess of similar transfers to such plants for which the handler does not request Class II utilization are allocated to Class I and Class II in the same proportion as either the remaining unallocated Class I and Class II utilization, or the estimated market wide utilization, whichever represents the greater Class II use.

2. Pool obligation for other source milk. A handler has a pool obligation at the difference between the Class I and Class II price for each hundred-weight of other source milk received in a nonfluid form, without "Grade A" certification, or from producer-handlers that is allocated to Class I. He also has an obligation on the amount of unregulated supply plant receipts that were allocated to Class I. This obligation is computed at the difference between the Class I price and the blend price, both adjusted for location.

Class prices: (3.5 percent butterfat test)

1. Basic formula. Average price paid per hundredweight for manufacturing grade milk, f.o.b. plants in Minnesota and Wisconsin adjusted to a 3.5 percent butterfat content by Chicago 92-score butter price for the month $\times 0.120$.

2. Class I. Basic formula price for the preceding month plus \$1.65. April through June price may not be higher than in the preceding March; October through January price may not be lower than in the preceding September.

3. Class II. (Chicago 93(92)-score butter price + 3 cents $\times 4.8$) + (Chicago area spray powder price $\times 3.2$) - 80 cents and less 5 \times the Class II butterfat differential.

Butterfat differentials:

1. Class I. Chicago 93(92)-score butter price for the preceding month plus 3 cents $\times 0.120$.

2. Class II and producer excess milk. Chicago 93(92)-score butter price for the current month plus 3 cents $\times 0.115$.

3. Producer base milk. Weighted average of Class I and Class II differentials.

Location differentials: For plants located outside District 1, and Kitsap, Mason, or Pierce Counties; deduct:

1. Class I and producer base milk:

- a. 15 cents - plants in District 4.
- b. 20 cents - plants in Districts 2 and 3 or Kittitas County.
- c. 40 cents - other locations outside the marketing area.

2. Class II. For milk used to produce cottage cheese, condensed milk, and ice cream at plants located in District 1 or Kitsap, Mason, or Pierce Counties, add 25 cents.

3. Producer excess milk. Add 25 cents if received at plants located in District 1, Kitsap, Mason, or Pierce Counties.

Type of pool:

Market wide, monthly pool with base payments.

*Expense of administration:

The expense of administration, not to exceed 4 cents per hundredweight, is paid by regulated handlers on producer milk, and on the amount of nonfluid, non-Grade A, producer-handler, and unregulated supply plant receipts assigned to Class I. Partially regulated distributing plants pay the same assessment on Class I route disposition in the marketing area in excess of Class I receipts from pool plants and other order plants.

Special producer provisions:

1. Marketing service. Deductions as authorized by membership contracts must be paid to qualified cooperative associations. A charge not to exceed 5 cents per hundredweight, deductible from nonmembers must be paid to the market administrator.
2. Base payment. Base payment plan applies entire year with each producer's daily base computed by dividing the total pounds of milk delivered by the producer to regulated plants during the preceding months of August through December by the number of days of delivery during the period (not less than 120 days):
 - a. Provides for bases for dairy farmers who become producers by virtue of plant status changing from unregulated to regulated.
 - b. Transfers to any other person are permitted under specified circumstances.
 - c. Base is forfeited if deliveries are discontinued for 45 days.

Special handler provisions (Unregulated plants):

1. Plants subject to other Federal orders.
 - a. Distributing plants which dispose of a greater portion of their Class I milk on routes in the marketing area of another order are not subject to regulation under this order except for reports which may be required by the market administrator.
 - b. A supply plant does not have automatic pool plant qualification under this order during January through September if shipments of milk to another order are sufficient for pool plant qualification under that order during the period.
2. Producer-handler. Must submit required reports to the market administrator.
- *3. Partially regulated distributing plants. The operators of such plants must:
 - a. Submit required reports to the market administrator.
 - b. Pay specified administrative assessment (see "Expense of administration" provision).

c. Make payments to the producer-settlement fund as computed in (1) or (2) below, whichever method the operator chooses.

(1) An amount determined by deducting actual payments to dairy farmers for "Grade A" milk from a total obligation computed as though the plant were a pool plant.

(2) An amount determined by multiplying total Class I route disposition in the marketing area less Class I receipts from pool plants and other order plants by the difference between the Class I price and the blend price at the location of the plant.

FEDERAL MILK ORDER NO. 38
Rock River Valley, Illinois-Wisconsin

Order, revised 8-1-64:

(*indicates revised provisions)

See: Order suspension page for possible temporary changes.

Marketing area:

All territory, including governmental installations and institutions, in the Illinois counties of Boone, Carroll, De Kalb, Jo Daviess (except the city of East Dubuque), Lee, Ogle, Stephenson, Winnebago, and certain townships in Whiteside County; and in Rock County, Wisconsin.

Population (1960 Census): 596,674

Principal places are: Rockford and Freeport, Illinois; Janesville and Beloit, Wisconsin.

*Handler:

1. The operator of a pool plant, partially regulated distributing plant, or an other order plant.
2. A cooperative association with respect to producer milk diverted by it from a pool plant to a nonpool plant.
3. A cooperative association with respect to producer-member milk delivered by it from farms to pool plants in tank trucks controlled by it.
4. A producer-handler.

*Producer:

Any person, other than a producer-handler under any order, who produces milk in compliance with "Grade A" inspection requirements, and whose milk is delivered to or diverted from a pool plant. A producer's milk may be diverted to a nonpool plant on any day, February through July, and not more than one-half of a producer's milk may be diverted during August through January.

Producer-handler:

Any person who operates, as his personal enterprise and at his personal risk, a dairy farm and a distributing plant at which milk is received only from his own production or from pool plants.

Pool plants:

1. Distributing plant. Any plant from which at least 50 percent of "Grade A" receipts is disposed of as Class I milk on routes and at least 10 percent of such receipts is disposed of on routes in the marketing area.

2. Supply plant. Any plant from which at least 50 percent of producer receipts is delivered to distributing plants. If this requirement is met each month, September through November, the plant has automatic pool plant qualification, March through June, unless unregulated status is requested.

*Nonpool plants:

1. Other order plant. Any plant fully regulated under another Federal order.
2. Producer-handler plant. Any plant operated by a producer-handler as defined in any order.
3. Partially regulated distributing plant. Any nonpool plant, other than a producer-handler plant or an other order plant, from which Class I milk is disposed of on routes in the marketing area.
4. Unregulated supply plant. Any nonpool plant other than a producer-handler plant or an other order plant that ships "Grade A" milk to a pool plant.

Classification:

1. Class I. All skim milk and butterfat not accounted for as Class II and disposed of in fluid form as milk, skim milk, buttermilk, flavored milk and milk drinks, sweet and sour cream and sour cream products labeled "Grade A", and any mixture of cream and milk or skim milk. Fortified products are Class I up to an equal volume of a like unfortified product.
- *2. Class II. All skim milk and butterfat: Used to produce a nonfluid milk product; in skim milk disposed of for livestock feed or dumped; in skim equivalent of fortified products not accounted for as Class I; disposed of to commercial food manufacturers; in end-of-month inventory; and, in shrinkage which is limited for receipts of milk subject in part to Class I allocation, and unlimited for other receipts.

*Transfers:

1. Transfers between pool plants. Classified as requested by both handlers, otherwise as Class I milk. The quantity assigned to either class is limited to the amount remaining in that class after allocating other source milk. The transfer must be classified so that the least possible Class I assignment is given to nonfluid, non-Grade A, or producer-handler milk. If the shipping plant receives other source milk to be prorated to classes, transfers shall not be Class I to a greater extent than would apply to a like quantity of such other source milk in the receiving plant.
2. Transfers to producer-handlers: Classified as Class I.
3. Transfers to other order plants. Such transfers, in excess of similar receipts from such plants, are classified in the class to which allocated as a fluid milk product under the other order. Such transfers can be classified as Class II up to the amount of available Class II utilization in the receiving plant, if both handlers request Class II utilization.

4. Transfers to other nonpool plants. Classified as Class I unless all of the following conditions are met:

- a. The transfer is in bulk.
- b. The nonpool plant is located not more than 150 miles from the nearer of Janesville, Wisconsin or Sterling, Illinois.
- c. The transferring handler claims classification on the basis of receipts and utilization at the nonpool plant.
- d. The operator of the nonpool plant makes utilization records available to the market administrator.

*Receipts of other source milk:

1. Allocation to classes. After first deducting Class II shrinkage from total Class II utilization, receipts of other source milk are allocated to classes as follows: (If the amount of an other source receipt to be allocated to Class II in "a" or "b" below exceeds the amount of unallocated Class II utilization remaining at the plant, the excess is allocated to Class I. For items "e" and "f" the excess is applied against available Class II utilization at another pool plant operated by the handler.)

- a. Packaged fluid milk products received from other order plants are allocated 2 percent to Class II and 98 percent to Class I.
- b. Other source milk received in a nonfluid form, without "Grade A" certification, or from producer-handlers is allocated to Class II.
- c. Receipts from unregulated supply plants for which the handler requests Class II utilization, or which are in excess of 125 percent of Class I needs are allocated to Class II.
- d. Bulk receipts from other order plants in excess of similar transfers to such plants for which both handlers request Class II utilization are allocated to Class II.

After deducting inventory on hand at the beginning of the month from Class II, and adding Class II shrinkage back to Class II, the following allocations of other source receipts are made:

- e. Receipts from unregulated supply plants for which the handler does not request Class II utilization, and which are not in excess of 125 percent of Class I needs, are allocated to Class I and Class II in the same proportion as the remaining unallocated Class I and Class II utilization.
- f. Bulk receipts from other order plants in excess of similar transfers to such plants for which the handler does not request Class II utilization are allocated to Class I and Class II in the same proportion as either the remaining unallocated Class I and Class II utilization, or the estimated market wide utilization, whichever represents the greater Class II use.

2. Pool obligations for other source milk. A handler has a pool obligation at the difference between the Class I and Class II price for each hundredweight of other source milk received in a nonfluid form; without "Grade A" certification, or from producer-handlers that is allocated to Class I. He also has an obligation on the amount of unregulated supply plant receipts that were allocated to Class I. This obligation is computed at the difference between the Class I price and the blend price, both adjusted for location.

Class prices: (3.5 percent butterfat test)

1. Basic formula. Average price paid per hundredweight for manufacturing grade milk, f.o.b. plants in Minnesota and Wisconsin adjusted to a 3.5 percent butterfat content by Chicago 92-score butter price for the month $\times 0.120$.

2. Class I. Basic formula price for the preceding month plus:

\$1.12: August through November

.72: March through June

.92: other months

The Chicago order supply-demand adjustment is applied to the resulting price. The maximum adjustment is plus or minus 24 cents.

3. Class II. Basic formula price for the month.

Butterfat differentials:

1. Class I. Chicago 92-score butter price for the preceding month $\times 0.120$.

2. Class II. Chicago 92-score butter price for the current month $\times 0.115$.

3. Producer. Weighted average of Class I and Class II differentials.

*Location differentials:

Class I and producer. For plants located 115 miles or more from the Chicago City Hall: Price shall be decreased 2 cents for each 15 miles or fraction thereof that such a plant is more than 100 miles from Chicago City Hall.

Differential is limited to 12 cents at a plant located in the marketing area. (Such adjustment is also applicable to unregulated supply plant receipts allocated to Class I.)

Type of pool:

Market wide, monthly pool.

*Expense of administration:

The expense of administration, not to exceed 4 cents per hundredweight, is paid by regulated handlers on producer milk, and on the amount of nonfluid, non-Grade A, producer-handler, and unregulated supply plant receipts assigned to Class I. Partially regulated distributing plants pay the same assessment on Class I route disposition in the marketing area in excess of Class I receipts from pool plants and other order plants.

Special producer provisions:

1. Marketing service. Deductions as authorized by membership contracts must be paid to qualified cooperative associations. A charge not to exceed 5 cents per hundredweight, deductible from nonmembers must be paid to the market administrator.

2. Base payment. No provisions.

Special handler provisions (Unregulated plants):

1. Plants subject to other Federal orders. Handlers who dispose of a greater portion of their Class I milk on routes in the marketing area of another order, are not subject to regulation under this order except for reports which may be required by the market administrator.

2. Producer-handler. Must submit required reports to the market administrator.

*3. Partially regulated distributing plants. The operators of such plants must:

a. Submit required reports to the market administrator.

b. Pay specified administrative assessment (see "Expense of administration" provision).

c. Make payments to the producer-settlement fund as computed in (1) or (2) below, whichever method the operator chooses.

(1) An amount determined by deducting actual payments to dairy farmers for "Grade A" milk from a total obligation computed as though the plant were a pool plant.

(2) An amount determined by multiplying total Class I route disposition in the marketing area less Class I receipts from pool plants and other order plants by the difference between the Class I price and the blend price at the location of the plant.

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FEDERAL MILK ORDER NO. 8
Wheeling, West Virginia-OhioOrder, revised 8-1-64:

(*indicates revised provisions)

See: Order suspension page for possible temporary changes.

Marketing area:

All territory in the counties of Hancock, Brooke, Ohio, and Marshall, West Virginia; Jefferson, Belmont, Harrison, Monroe, and specified townships in Columbiana and Guernsey Counties, Ohio.

Population (1960 Census): 440,157

Principal places are: Wheeling, Weirton, and Moundsville, West Virginia; Steubenville and East Liverpool, Ohio.

*Handler:

1. The operator of a pool plant, partially regulated distributing plant, or an other order plant.
2. A cooperative association with respect to producer milk diverted by it from a pool plant to a nonpool plant.
3. A cooperative association with respect to producer-member milk delivered by it from farms to pool plants in tank trucks controlled by it.
4. A producer-handler.

*Producer:

Any person, other than a producer-handler under any order, who produces milk in compliance with "Grade A" inspection requirements, and whose milk is delivered to or diverted from a pool plant. A producer's milk may be diverted to a nonpool plant on any day during the months of March through July and on not more than 10 days (5 days in the case of every-other-day delivery) during August through February.

Producer-handler:

Any person who operates a dairy farm and a distributing plant from which fluid milk product disposition does not exceed the amount of milk received from his own production or from pool plants.

Pool plant:

1. Distributing plant. Any approved plant from which at least 45 percent, April through June and 55 percent, July through March, of receipts from producers and cooperatives is disposed of as Class I milk on routes, and not less than 5 percent of such disposition is disposed of on routes in the marketing area. A plant which receives no milk from producers must dispose of 5 percent of its total route disposition in the marketing area.

2. Supply plant. Any approved plant from which at least 55 percent of receipts from producers and cooperatives is shipped to distributing plants. If this requirement is met each month of September through January, the plant has automatic pool plant qualification, February through August, unless unregulated status is requested.

*Nonpool plants:

1. Other order plant. Any plant fully regulated under another Federal order.
2. Producer-handler plant. Any plant operated by a producer-handler as defined in any order.
3. Partially regulated distributing plant. Any nonpool plant, other than a producer-handler plant or an other order plant, from which Class I milk is disposed of on routes in the marketing area.
4. Unregulated supply plant. Any nonpool plant other than a producer-handler plant or an other order plant that ships "Grade A" milk to a pool plant.

*Classification:

1. Class I. All skim milk and butterfat not accounted for as Class II and disposed of in fluid form including milk, skim milk, buttermilk, flavored milk and milk drinks, yogurt, cream or any mixture of cream and milk or skim milk. Fortified products are Class I up to an equal volume of a like unfortified product.
2. Class II. All skim milk and butterfat: Used to produce a nonfluid milk product; in skim equivalent of fortified products not accounted for as Class I; in end-of-month inventory; disposed of to commercial food manufacturers; in skim milk disposed of as livestock feed or dumped; and, in shrinkage which is limited for receipts of milk subject in part to Class I allocation and unlimited for other receipts.

*Transfers:

1. Transfers between pool plants. Classified as requested by both handlers, otherwise as Class I milk. The quantity assigned to either class is limited to the amount remaining in that class after allocating other source milk. The transfer must be classified so that the least possible Class I assignment is given to nonfluid, non-Grade A, or producer-handler milk. If the shipping plant receives other source milk to be prorated to classes, transfers shall not be Class I to a greater extent than would apply to a like quantity of such other source milk in the receiving plant.
2. Transfers to producer-handlers. Classified as Class I.
3. Transfers to other order plants. Such transfers, in excess of similar receipts from such plants, are classified in the class to which allocated as a fluid milk product under the other order. Such transfers can be classified as Class II up to the amount of available Class II utilization in the receiving plant, if both handlers request Class II utilization.
4. Transfers to other nonpool plants. Classified as Class I unless all of the following conditions are met:

a. For bulk milk and skim milk.

- (1) The nonpool plant is located not more than 250 miles from Wheeling, West Virginia.
- (2) The transferring handler claims classification on the basis of receipts and utilization at the nonpool plant.
- (3) The operator of the nonpool plant makes utilization records available to the market administrator.

b. For bulk cream.

- (1) The transferring handler claims Class II utilization.
- (2) The cream is labeled "for manufacturing uses only".
- (3) The operator of the nonpool plant makes utilization records available to the market administrator.

*Receipts of other source milk:

1. Allocation to classes. After first deducting Class II shrinkage from total Class II utilization, receipts of other source milk are allocated to classes as follows: (If the amount of an other source receipt to be allocated to Class II exceeds the amount of unallocated Class II utilization remaining, the excess is allocated to Class I.)

- a. Packaged fluid milk products received from other order plants are allocated 2 percent to Class II and 98 percent to Class I.
- b. Other source milk received in a nonfluid form, without "Grade A" certification, or from producer-handlers is allocated to Class II.
- c. Receipts from unregulated supply plants for which the handler requests Class II utilization, or which are in excess of 125 percent of Class I needs, are allocated to Class II.
- d. Bulk receipts from other order plants in excess of similar transfers to such plants for which both handlers request Class II utilization are allocated to Class II.

After deducting inventory on hand at the beginning of the month from Class II, and adding Class II shrinkage back to Class II, the following allocations of other source receipts are made:

- e. Receipts from unregulated supply plants for which the handler does not request Class II utilization, and which are not in excess of 125 percent of Class I needs, are allocated to Class I and Class II in the same proportion as the remaining unallocated Class I and Class II utilization.
- f. Bulk receipts from other order plants in excess of similar transfers to such plants for which the handler does not request Class II utilization are allocated to Class I and Class II in the same proportion as

either the remaining unallocated Class I and Class II utilization, or the estimated market wide utilization, whichever represents the greater Class II use.

2. Pool obligations for other source milk. A handler has a pool obligation at the difference between the Class I and Class II prices for each hundred-weight of other source milk received in a nonfluid form, without "Grade A" certification, or from producer-handlers that is allocated to Class I. He also has an obligation on the amount of unregulated supply plant receipts that were allocated to Class I. This obligation is computed at the difference between the Class I price and the blend price, both adjusted for location.

Class prices: (3.5 percent butterfat test)

1. Basic formula. Average price paid per hundredweight for manufacturing grade milk, f.o.b. plants in Minnesota and Wisconsin adjusted to a 3.5 percent butterfat content by Chicago 92-score butter price for the month times 0.120.

2. Class I. Basic formula price for the preceding month plus:

\$1.42: April through July
1.88: August through March

A supply-demand adjustment, based on producer receipts and gross Class I sales, is applied to the resulting price. Maximum total adjustment is limited to Order No. 36 (Northeastern Ohio) supply-demand adjustment plus or minus 15 cents.

3. Class II. Highest of the following:

- Average price paid at Midwest condenseries (3.5 percent).
- (Chicago 92-score butter price x 6) + (Wisconsin Cheese Exchange "Cheddars" price x 2.4) divided by 7 x 4.55.
- (Chicago 92-score butter price -3 cents x 4.2) + (Chicago area spray powder price -5.5 cents x 8.2).

Butterfat differentials:

1. Class I. Chicago 92-score butter price for the preceding month x 0.130.
2. Class II. Chicago 92-score butter price for the current month x 0.115.
3. Producer. Weighted average of Class I and Class II differentials.

*Location differentials:

1. Class I. For plants located 60 miles or more from the nearer of Wheeling, West Virginia, East Liverpool or Steubenville, Ohio, deduct: (Such adjustment is also applicable to unregulated supply plant receipts allocated to Class I.)

- 15.0 cents - 60 to 70 miles.
- 16.5 cents - 71 to 80 miles.

- c. 18.0 cents - 81 to 90 miles.
- d. 1.0 cent - each additional 10 miles.

2. Producer. Above differentials apply:

- a. August through March to all producer milk.
- b. April through July to base milk.

Type of pool:

Market wide, monthly pool with base payments.

*Expense of administration:

The expense of administration, not to exceed 4 cents per hundredweight, is paid by regulated handlers on producer milk, and on the amount of nonfluid, non-Grade A, producer-handler, and unregulated supply plant receipts assigned to Class I. Partially regulated distributing plants pay the same assessment on Class I route disposition in the marketing area in excess of Class I receipts from pool plants and other order plants.

Special producer provisions:

1. Marketing service. Deductions as authorized by membership contracts must be paid to qualified cooperative associations. A charge not to exceed 5 cents per hundredweight, deductible from nonmembers must be paid to the market administrator.

*2. Base payment. Base payment plan applies April through July with each producer's daily base computed by dividing the total pounds of milk delivered by the producer to regulated plants during the preceding months of September through December by the number of days of delivery during the period (not less than 90 days).

- a. Provides for bases for dairy farmers who become producers by virtue of plant status changing from unregulated to regulated.
- b. Transfers to any other person are permitted under specified circumstances.
- c. Joint held bases may be divided among the joint holders upon request.

*Special handler provisions (Unregulated plants):

1. Plants subject to other Federal orders.

a. Handlers who dispose of a greater portion of their Class I milk on routes in the marketing area of another order are not subject to regulation under this order except for reports which may be required by the market administrator.

b. A supply plant does not have automatic pool plant qualification under this order during February through August if shipments of milk to

another order are sufficient for pool plant qualification under that order during the period, and the Secretary determines that the plant should be exempted from this order.

2. Producer-handlers. Must submit required reports to the market administrator.

3. Partially regulated distributing plants. The operators of such plants must:

a. Submit required reports to the market administrator.

b. Pay specified administrative assessment (see "Expense of administration" provision).

c. Make payments to the producer-settlement fund as computed in (1) or (2) below, whichever method the operator chooses.

(1) An amount determined by deducting actual payments to dairy farmers for "Grade A" milk from a total obligation computed as though the plant were a pool plant.

(2) An amount determined by multiplying total Class I route disposition in the marketing area less Class I receipts from pool plants and other order plants by the difference between the Class I price and the blend price at the location of the plant.